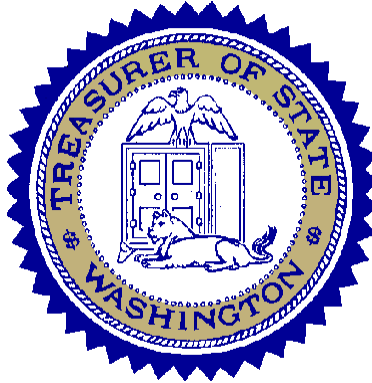


# Office of the State Treasurer State of Washington



## *Request for Proposals* *for* *Banking Services*

September 25, 2020

Letter of Intent: Due by 4:00 P.M. Pacific Time (PT), October 9, 2020

Proposals: Due by 4:00 P.M. PT, November 6, 2020

#### IDENTIFICATION OF VENDOR'S PROPRIETARY INFORMATION

Vendors are advised that the Office of the State Treasurer is a Washington State Public Agency and is thus subject to public records requests. There are permissible exemptions from public disclosure pursuant to chapter 42.56 Revised Code of Washington (RCW) but they are limited, narrow in scope and strictly construed. Vendors wishing to claim portions of their response as confidential and exempt from public disclosure are advised to carefully read sections 5.5.1 and 5.6 of this RFP for more detail.

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## **SECTION 1: INTRODUCTION**

### **1.1. BACKGROUND**

The Office of the State Treasurer (OST) seeks to engage a qualified vendor to provide Banking Services for both the Cash Management and Investments Divisions of OST. The objectives of this RFP are to:

- secure a financial institution to provide banking services necessary to collect and disburse State of Washington (State), Local Government Investment Pool (LGIP) funds and Separately Managed Account funds;
- secure economies of scale pricing;
- secure a clearing channel and settlement mechanism for warrants drawn on the State's Federal Reserve Bank assigned routing number.

### **1.2. AUTHORITY**

OST is offering this Request for Proposal (RFP) pursuant to RCW 43.08.015 to solicit qualified financial institutions interested in submitting Proposals to provide banking services for the Treasury & Treasurer's Trust funds and/or the Local Government Investment Pool and Separately Managed Accounts (SMA).

## **SECTION 2: STATEMENT OF WORK**

### **2.1. SCOPE OF WORK**

Financial institutions may submit a Proposal to provide banking services for (1) the Treasury & Treasurer's Trust concentration account found in sections 2.2.1 through 2.2.18; (2) the Local Government Investment Pool concentration account and Separately Managed Account(s) found in 2.2.19 through 2.2.27; or (3) all OST accounts (complete entire section 2.2):

### **2.2. SERVICES TO BE PROVIDED AND ASSIGNMENT OF WORK**

#### **TREASURY & TREASURER'S TRUST CONCENTRATION ACCOUNT Sections 2.2.1 through 2.2.18**

Managed by OST's Cash Management Division, this concentration account is used for administering State agencies' banking needs. OST's relationship with financial institutions is an integral part of the Treasurer's cash management program. It is anticipated that the banking relationship resulting from this RFP will provide OST with the necessary resources to respond to the expanding financial needs of the State. OST expects the selected financial institution to provide leadership in the development and implementation of new technologies related to banking services throughout the term of the Agreement.

Financial institutions offering Proposals must describe their ability to perform the services outlined in this section, including product samples. Financial institutions wishing to provide alternative solutions should demonstrate why their solution is a more efficient, cost-effective, or secure approach to the requested services. Describe any additional services offered, but not specifically requested. Specifically, the scope of services includes, but is not limited to, the following:

#### **2.2.1. ACCOUNT(S) ESTABLISHMENT:**

Currently OST uses three types of demand deposit accounts to manage the State's deposits and disbursements; a main concentration account, 43 concentration sub-accounts and 24 zero balance accounts (ZBAs). The concentration account is the State's primary account for deposit and disbursement of Treasury & Treasurer's Trust funds. Sub-accounts are used to distinguish the banking activity of individual Agencies from one another while allowing OST to manage and reconcile the activity under the umbrella of the concentration account. Sub-account activity and balances are reported in real-time in both the sub-account and the concentration account. ZBAs are used to allow an Agency the autonomy to manage and reconcile their own banking activity and move balances automatically to the concentration account on a nightly basis. All minimum account services required must be installed and operating on or before July 1, 2021 unless otherwise negotiated and agreed to in writing.

- A. Describe your account structure options.
- B. The USA PATRIOT ACT excludes governmental agencies from the definition of a 'customer' (31 CFR 1020.315(b)(1) through (4)) and exempts us from Customer Identification Procedure (CIP) requirements. Due to this, we do not provide state employee's personal information such as SSN or DOB. How do you accommodate the CIP exemption to establish the Deputy of Operations as the signer on the account(s)?
- C. OST does not issue checks. Automatically return all checks 'refer to maker'.

#### **2.2.2. ACCOUNT RELATIONSHIP MANAGER(S) / CUSTOMER SERVICE**

- A. Provide a local account manager who is knowledgeable of cash management products and technologies, available to respond in a timely manner to OST and Agency inquiries, and is regularly attentive to the State's account(s). The account manager must have experience with complex government or corporate accounts, and the authority to resolve potential account issues.
- B. Provide a point of contact or customer service representative who is attentive to the State's account(s) and familiar with the State's business requirements as outlined in this RFP. At a minimum, the representative(s) should be available from 8:00 A.M., to 5:00 P.M., Pacific Time each business day. This point of contact will be responsible for resolving day to day processing issues on the State's account(s).

- C. Provide either same-day resolution for problems pertaining to the State's accounts or assign the appropriate resources and provide daily status updates if same-day resolution is not achieved.

### **2.2.3. PHYSICAL DEPOSITS (CHECK/COIN/CURRENCY)**

- A. Offer a location or other solution for the State to deliver deposits within 10 miles of OST located at 11<sup>th</sup> Ave SW, Olympia WA 98504. The location must be available to accept deposits 9:00 am – 5:00 pm Monday – Friday. Provide location address or other solution to accept deposits in Olympia WA.
- B. Agency regional offices deliver deposits to their local banking centers. Describe any special consideration that will be given to agencies at local banking centers, such as dedicated merchant teller window, and your standard banking center hours.
- C. State agencies will want to use your night drop for deposits. OST requires the agency using the service to sign any associated agreements rather than the account signer. Describe your night drop setup procedures including accommodations needed to allow agencies to sign agreements.
- D. To facilitate investment decisions and reconciliation OST needs to understand the timing of when deposits are credited to the account. Discuss the timing of when deposits will be credited to the account. Note any differences between deposits made at the Olympia deposit location and other banking centers. Preference will be given for same-day credit to the State's account.
- E. Accept and hold all State funds from whatever source, including but not limited to taxes, fees, penalties, forfeitures, and all other moneys, income, or revenue received by the State pursuant to chapter 82.04 RCW, chapter 82.08 RCW, and chapter 69.50 RCW.
- F. The State requires the ability to deposit unrolled coin at the Olympia deposit location. Provide instructions for depositing bulk coin at the Olympia, Washington deposit location.
- G. Agencies may have locations outside of Olympia, Washington that need to deposit unrolled coin. Provide instructions for depositing bulk coin at all other locations.
- H. A representative from OST collects deposits from Agencies in and around Olympia and delivers them to the incumbent's local branch. Current practice is for these deposits to be delivered in tamper-resistant poly bags. Branch personnel log each bag under dual control with the OST's representative. The bags are safeguarded by the branch until they can be pickup by Armored Car and delivered to the bank's cash vault and processed. OST delivers poly bags to the branch several times throughout the day, the last delivery made prior to 5:00 PM, Pacific Time. Each delivery may have between 5 and 40 individual bags. Describe your method to accept delivery of multiple deposits at the Olympia deposit location. Include your procedures to ensure that:
  - 1. All deposits are accounted for and safeguarded;
  - 2. All deposits are processed under dual control;
  - 3. OST's representative(s) do not experience delays due to lobby traffic or staff availability.

- I. Describe all deposit preparation requirements. Include information on deposit supply requirements and deposit maximums (i.e. number of checks per deposit), if any.
- J. Deposit discrepancies will be communicated to the State within two (2) banking days of the adjustment posting to the accounts. Describe your method(s) of communicating adjustments and provide any applicable samples.
- K. Describe your procedures for ordering deposit supplies including tamper resistant poly bags, deposit slips, endorsement stamps, etc. Please note all pricing must be disclosed on **Exhibit B - Fee Questionnaire**.
- L. Many Agencies receive items drawn on Canadian banks in Canadian Dollars. Provide deposit instruction for these items.
- M. Provide deposit instruction for Canadian currency including coin.
- N. Adjustment entries to the State's account(s) for returned deposited items shall be identified on the statement by the auxiliary on-us field from the MICR line of the deposit slip or corresponding identifier from the ICL or RDC file.
- O. Provide notification to the State of all deposited items returned as unpaid within one banking day of the adjustment to the State's account. Notification must at a minimum include: original deposit date, deposit amount, reason for return and an image or copy of the front and back of the original item.
  - 1. Describe your notification process. Preference will be given to automated or electronic solutions (i.e. an ICL file of returned items is preferred to manually accessing the data from the bank's online system.).
  - 2. Provide a sample of your returned item notification(s).
- P. Upon request, provide the State the original deposited item or an Image Replacement Document (IRD) for the original deposited item. These requests may occur up to two years after the expiration or termination of the Agreement Describe your process and associated timeframes for supplying these items.
- Q. Agencies may contract with 3<sup>rd</sup> party armored car services to deliver deposits on their behalf.
  - 1. Describe procedures to establish armored car delivery to a branch facility.
  - 2. Describe procedures to establish armored car delivery to the bank's cash processing facilities.
- R. Provide cutoff times for deposits delivered by armored car to branch and/or cash processing facilities.
- S. Provide online access to images of deposited items. Specify how long these items are available in your online system.
- T. Provide your float schedule for deposited items. Specify if different float schedules are applied to deposited physical items, items deposited by Image Cash Letter (ICL) or items deposited by Remote Deposit Capture (RDC).

#### **2.2.4. IMAGE CASH LETTER DEPOSITS**



Four Agencies create Image Cash Letter (ICL) files using a variant of the American National Standards Institute (ANSI) Universal Companion Document (UCD) Standard X9.100-187, Specifications for Electronic Exchange of Check and Image Data.

- A. Describe your standard processing requirements, including file specifications, for receiving and posting an ICL file created by a State agency.
- B. Washington State includes the optional Credit / Reconciliation (Type 61) Record on each ICL to represent the deposit slip and facilitate location reporting. Do you accept Type 61 records?
- C. Does the auxiliary on-us field from the Type 61 record populate reporting and statements? Please show example(s) of this for both your on-demand internet reporting and on your BAI2 previous day file.
- D. Describe your ICL acknowledgement and rejected item notification process. Preference will be given to automated or electronic solutions.
- E. Provide the cutoff time for ICL file transmissions to receive same-day credit for the deposits.

#### **2.2.5. REMOTE DEPOSITED CHECKS**

Over 70 locations throughout the State use the current concentration bank's Remote Deposit Capture (RDC) product to scan and deposit checks.

- A. Describe your RDC product.
- B. Agencies have either the Epson CaptureOne 30, CheXpress CX-30, TellerScan TS-230 or TellerScan TS-240. Indicate if your system supports our existing equipment.
- C. Describe your standard RDC equipment for boarding new RDC locations and/or conversion. All associated costs must be outlined in **your proposed fee schedule**.
- D. Describe your RDC portal's ability to identify a specific location's deposit either through the software, or with the use of the auxiliary on-us field from the deposit ticket.
- E. OST is the RDC administrator for all Agency locations. OST creates and grants all user entitlements; i.e. Agency 1 cannot see Agency 2's deposits, but OST can see all State activity. Describe the administration features granted to OST.
- F. Describe the online reporting available in your RDC product. Provide samples and screen shots as appropriate.
  - 1. Are the reports available for download or export? Include all formats available (i.e. XML, BAI2, CSV etc.)

#### **2.2.6. WARRANT PROCESSING**

State warrants are issued by Agencies and signed by the State Treasurer. OST maintains the warrant database of issued, outstanding, canceled, and redeemed

images. Warrants negotiated through the forward collection process are charged against the State's routing number at the Federal Reserve Bank (FRB). The State's routing number (FRB settlement account) will be linked to the financial institution's master account with the Federal Reserve Bank. Please see the Warrant Data chart for volumes and amounts, Exhibit E.

OST performs all warrant presentment work. Daily, Warrant Services staff upload the FRB cash letters into the Treasury Management System (TM\$). Software compares the FRB images to the outstanding warrant data in TM\$. Staff review the rejected items that are not an exact match. Adjustments and returns are prepared by staff and keyed or uploaded directly to the FRB. Staff reconcile to the FRB Daily statement and resolve any outstanding adjustments or returns. Staff work directly with the bank of first deposit to process forgery and holder in due course claims.

Investment staff at OST ensure the cash collected account balance covers the FRB cash letter settlement debit, currently to a ZBA. FRB fees are debited to the ZBA. The financial institution credits the ZBA and moves the FRB fees to the account analysis. See Exhibit E for the last six fiscal year's annual FRB fees. Additionally, OST provides warrant cashing services at our office in Olympia WA.

- A. We ask our banking partners to also provide warrant cashing services. Describe your requirements for cashing State warrants for non-customers. Include any fees that will be charged to the payees.
- B. Please describe your process to charge off the FRB fees to the account analysis. Identify whether your process is automated or manual.
- C. If you are proposing an alternative solution for warrant processing please include how the alternative will allow for registered warrants and holiday processing (when the financial institutions are open but it is a State holiday, such as the Friday after Thanksgiving which is a State holiday).

## **2.2.7. AUTOMATED CLEARING HOUSE (ACH) ORIGINATION SERVICES**

The State originates ACH using over 50 unique Company ID numbers and a variety of transmission methods. The majority of the State's files are centralized through the Treasurer's Office. State agencies create a National Automated Clearing House Association (NACHA) formatted file which is transmitted to OST. OST captures data from the file to facilitate reconciliation and investment decisions then forwards to the Originating Depository Financial Institution (ODFI) for processing in the ACH Network. Agencies may contract with a 3rd party vendor that creates the ACH file and transmits it directly to the ODFI on the State's behalf. One agency uses the incumbent's online banking application to originate their ACH file.

The majority of the ACH files settle to the State's main concentration account. We also have a need for ACH files to settle to ZBA accounts and/or other sub-accounts under the concentration account. Settlement for ACH must be at the file level and

post as separate line items for ACH Credit and ACH Debit totals, including ACH Returns.

- A. Provide a brief description of your services as an ODFI and Receiving Depository Financial Institution (RDFI). Include information pertaining to dedicated customer service representatives for the State's ACH origination, if offered, and communication process for issues affecting the origination of the State's files.
- B. Describe any file format requirements that vary from standards described in Appendix One – ACH File Exchange Specifications and Appendix Two – Specifications for Data Acceptance by ACH Operators of the Nacha Operating Rules and Guidelines. Note any Standard Entry Class (SEC) Codes not supported as part of your ACH origination services.
- C. Describe your file format validation and notification procedures for files that are improperly formatted. Include information on the monitoring of files suspected of being a duplicate of a previously received file.
- D. Describe the security procedure(s) offered for the State to confirm the authenticity of transmitted files and authorize them to be forwarded to the ACH Operator for processing.
- E. Describe automated products/procedures offered to confirm successful transmission of the State's ACH files.
- F. The State may transmit ACH Files with ACH Credit Entries more than two banking days in advance of the Effective Entry Date and/or ACH Debit Entries more than one banking day in advance of the Effective Entry Date. Describe your ability to accept, hold and distribute these entries to the ACH Operator in accordance with the Nacha Operating Rules and Guidelines.
- G. Describe your ACH Return and Notification of Change (NOC) reporting and notification options. Preference will be given to Nacha formatted data transmissions.
- H. Occasionally the ODFI will receive a return for an older ACH entry, usually as the result of a reclamation request from the State. Describe your ability to accept ACH Returns that fall outside the standard Nacha time frames. Describe your process for reporting these returns and provide samples of documentation/reports.
- I. During implementation of a new ACH application the State requires sample ACH Returns and NOCs from the test data used to validate the application's file format. Describe your process for supplying sample ACH Returns and NOCs during implementation.
- J. The Federal Government and other business partners require the signature and contact number of an authorized bank representative on authorization forms when setting up an ACH disbursement to State agencies. Describe your procedure for completing these forms and returning them to the State.
- K. RDFIs and Receivers that have questions about ACH transactions originated by the State may contact the ODFI for the State's contact information. Describe your ability to direct inquiries to agency's customer service contacts rather than OST's technical contacts.

- L. OST looks to our banking partner to inform us of updates and changes to the ACH Rules. Describe your process for communication ACH Rule changes and any education you offer.
- M. Describe products and services available to provide account validation in compliance with Nacha's Supplementing Fraud Detection Standards for WEB Debits rule effective March 19, 2021.

#### **2.2.8. INTERNET CHECK PAYMENT SERVICE**

The State is using an optional use vendor-hosted internet payment product to allow Agencies the option of accepting ACH payments without creating a Nacha formatted file. The service shall support the collection of the customer's ACH authorization and banking information, allow payment scheduling, payment confirmation and provide all aspects of compliance with the Nacha Operating Rules. The Agency's website will host the application specific information such as forms or purchase request; the customer will be transferred to the Vendor's payment portal by clicking the 'Pay Button'.

- A. Describe your vendor-hosted internet payment product.
- B. Describe the product's reporting options for:
  - 1. Completed/Abandoned Payments
  - 2. Reconciliation reports of daily settlement
  - 3. ACH Return and/or Notification of Change Reports
- C. Describe the training provided to new users of this product's administrative tools.
- D. The State's business partners need to identify the various Agencies or programs debiting their account. Describe your ability to customize the information supplied to the Receiver (Batch Header Record, Company Name and Entry Description).

#### **2.2.9. WIRE TRANSFER SERVICES/INTRABANK TRANSFERS**

The timely distribution of funds through wire transfer is critical to the State. OST initiates one-time and repetitive domestic and foreign wires using the bank's online system. If OST has a payment that cannot be processed on the online system or during times of service disruption, OST initiates wires through a call to the bank's wire department. To mitigate risk, OST employs security features such as dual control on all wires and multi-factor user authentication.

- A. Describe your online system. Provide cutoff times for wires to be finalized same-day. Include screen shots and samples as appropriate.
- B. OST has wire transactions that exceed one billion dollars. Describe your system's ability to handle these large transactions. Include if you require special handling; i.e., split transactions, special notification, etc..
- C. Many of the wires OST initiates are repetitive. Describe your online system's procedure for the creation of templates for repetitive wires. Include your

security requirements for template creation and maintenance; i.e., dual control. Provide examples as necessary.

- D. Describe your backup wire process when the online system is unavailable. Include cutoff times for this backup process.
- E. OST makes regular EFTPS payments. Do both your online and manual wire systems support EFTPS payments for the following Tax Types: 940, 941, 945, and 1042? Include your cutoff times for EFTPS wires. Provide samples and screenshots as appropriate.
- F. OST regularly sends wires in foreign currencies. Describe your process for sending FX Wires and how the exchange rate is calculated and applied.
- G. OST uses on demand reports detailing daily outgoing wire transfers. Describe your ability to provide near real time reporting for outgoing wires.

## **2.2.10. REPORTING REQUIREMENTS – ONLINE REPORTING**

Accurate and timely reporting of the State’s banking activity is an essential tool for both the Cash Management and Investment Divisions of OST. The bank’s online reporting system is used to create on-demand reports for current and previous day activity. Agencies with concentration sub-accounts or ZBAs also require access to online reporting.

- A. OST uses online reporting for daily reconciliation, to mitigate risk, to make investment decisions and to research account activity. Describe your online reporting system. Include both your current day and previous day reporting capabilities and provide sample reports. How long is account history available online for the following reporting (i.e. 90 days, 6 months, etc.):
  - 1. Current Day
  - 2. Previous Day
  - 3. Image Access (deposits, returned items, etc.)
- B. Describe the training that will be provided for the online system.
- C. Informed investment decisions require real-time balance information including intra-bank transfers. Describe your ability to provide real-time reporting on the State’s financial position.
- D. Timely disbursement of the State’s wires is mission critical. OST uses on-demand reports to monitor the status of wire transmissions in near real-time and verify successful transmission. Describe the reporting available to monitor the status of out-going wires.
- E. OST administers the user IDs and entitlements for the concentration account and concentration sub-account online reporting. Describe the self-administration features of your online reporting product.
- F. Describe your system upgrade process, particularly how potential impacts to business processes are handled, notice to clients and client involvement in the process.
- G. OST requires a monthly account statement of all activity in the concentration and concentration sub-accounts. Describe your monthly account statement options (electronic, paper, etc.).

- H. When researching deposit offages or check copy requests, OST finds it useful to have a listing of all checks associated with a deposit listed in the order the checks were deposited. OST uses the item amount, routing number, account number, serial number and sequence number of each item in the deposit. Describe the deposit item reporting you provide.
- I. Agencies rely on the addenda record(s) that accompany their ACH entries to identify and post the item to the correct account. Some ACH entries are accompanied by multiple addenda records, up to the maximum 9,999 allowed by NACHA rules. Describe any addenda reporting limitations associated with your online reporting system.

## **2.2.11. REPORTING REQUIREMENTS – DATA FEEDS**

OST retrieves via SFTP data files of current day incoming Fedwire and ACH activity posting to the concentration and concentration sub-accounts. OST parses these files to update our Treasury Management System with the deposit activity and distributes Agency specific deposit activity for posting to the Agency's back-end system(s). OST also receives a previous day data file of all activity in our main concentration account.

- A. OST retrieves BAI2 formatted files of incoming wire transfers. OST receives several transmissions per day; each transmission only contains wires that have posted since the last file.
  - 1. Describe your electronic reporting options for current day Fedwire activity, include all formats available (i.e., BAI2, CSV etc.).
  - 2. Provide information on the frequency that new data is made available, including when the first and last files of the day are available.
  - 3. Describe any delays between the wire room's receipt and when the electronic data file is available.
  - 4. To mitigate the risk of transmission failures, OST currently receives a null file when no new wires have posted since the last transmission. How do you mitigate the risk of transmission failures?
- B. OST retrieves Nacha formatted files of incoming ACH entries. OST receives several transmissions per day; each transmission contains only the ACH entries that have posted since the last file.
  - 1. Describe your electronic reporting options for current day ACH activity, include all formats available (i.e. Nacha, BAI2, CSV etc.).
  - 2. Agencies rely on the addenda record(s) that accompany their ACH entries to identify and post the item to the correct account. Some ACH entries are accompanied by multiple addenda records, up to the maximum 9,999 allowed by Nacha rules. Describe any addenda reporting limitations associated with each format offered.
  - 3. Provide information on the frequency that new data is made available, including when the first and last files of the day are available.
  - 4. Describe any delays between the ACH department's receipt and when the electronic data file is available.

5. To mitigate the risk of transmission failures OST receives a null file when no new ACH entries have posted since the last transmission. How do you mitigate the risk of transmission failures?
- C. OST retrieves a previous day BAI2 formatted data file that includes all credits and debits posted to our concentration account. We use this to partially automate our reconciliation process.
1. Describe your electronic reporting options for previous day activity, include all formats available (i.e. BAI2, CSV etc.).
  2. OST uses Zero Balance Accounts for various reasons. Describe how the sweep total for each account is posted on your previous day file. Include how the ZBA account number is posted. (for example, on a BAI2 file it could be in the 88 records for each “sweep total” 16 record.)
  3. OST uses sub accounts to identify postings for separate agencies. Describe how your previous day data file identifies postings to these sub accounts. (For example, on a BAI2 file: contained in the 16 record, contained in the 88 record, or included as a separate 03 record.)
  4. OST uses location numbers on our deposits (auxiliary on us field). Describe how these are included on your previous day data file.

#### **2.2.12. SOFTWARE AND HARDWARE REQUIREMENTS**

- A. Describe the process to securely exchange data with OST
1. List any software, hardware, or networking requirements to use the process.
  2. Describe redundancy built into your computer systems and telecommunications facilities for the purpose of data exchange.
  3. What are the procedures to implement an alternative path for data exchange, for both the financial institution and OST?
  4. What transmission protocols do you support and what is your preferred option(s)?
  5. Provide what encryption method is used (if any).
- B. Describe your process for resolution of business client technical problems of various kinds (telecommunications outages, program errors, missed operations schedules, etc.). What is the established procedure for problem escalation?
- C. Provide an overview of your Business Continuity Planning. Those plans often include alternate processing operations with clients.
1. How do you work with clients to prepare for, test and initiate “disaster” alternatives?
  2. Describe any client instruction manuals, training and test involvement in business continuity plans for various business disruptions.

#### **2.2.13. PREPAID CARD SERVICES**

Several State agencies offer the option of receiving payment from the State through direct deposit to a prepaid card. The State’s current prepaid product is a Visa

branded card with both signature and PIN Debit capabilities. Offering a prepaid card to recipients of State funds is seen as an endorsement by the State of the product and its terms. The State's prepaid program should reflect the nature and spirit of a government sponsored program; offering value and convenience to both the State and card recipients at favorable pricing.

Programs offering a prepaid card option to consumers include payroll for State agencies and community colleges, paid family medical leave (PFML) benefits and multiple benefit programs at Labor and Industries. The State also has several programs that own the funds that are loaded onto prepaid cards. The Agency's client or employee is given a card with funds for a specific purpose. Unused funds are returned to the agency.

- A. Describe your prepaid card product(s) for payroll and/or benefit payments.
- B. Describe your prepaid card product that supports State ownership of the funds loaded on the card.
  - 1. Outline the process to return unused balances to the State.
  - 2. Provide details on the State's ability to limit the types of goods and services that can be purchased using these cards.
  - 3. Inspection Agents visit gas stations that only accept PIN Debit. Does this product support PIN Debit transactions?
  - 4. Enforcement Agencies have the need for a card that is generic in appearance to support undercover enforcement activity. Some enforcement agents require a card issued to their undercover identity. Describe the product's ability to support State enforcement agencies.
- C. Community Colleges employ students participating in Federal Work Study programs. Describe any limitations or restrictions loading Federal Work Study wages.
- D. Recipients of State disbursements need access to the entire available balance on their card. Describe how the card holder can withdraw their entire card balance.
- E. Provide the complete fee schedule that will be applied to the prepaid card **recipients**. These fees charged to the recipients shall remain in effect for the length of the Agreement. Any fees assessed to the State must be outlined in **your proposed fee schedule**.
- F. Controls such as restricting the ability to load cards from the administration tool (instant issue) and deposit limits are in place on the State's current prepaid product. Describe the internal controls available to OST.
- G. The State's prepaid card program is de-centralized, with each Agency or Agency-program administrating their prepaid card program. Describe the implementation process you employ when boarding a new Agency or program to the prepaid card product.
- H. Describe your CFPB Disclosure resources and support. Include information on assistance translating disclosures into foreign languages.
- I. Describe the process of boarding a new cardholder. Provide samples, forms and screenshots as appropriate.



1. Agencies with high volumes of new registrations prefer to automate the boarding process. Describe your automated boarding process.
  2. L&I provides the incumbent a daily file of potential new card recipients. The incumbent issues a card and provides L&I a daily file of all newly assigned card and a separate file of all newly activated cards. Discuss how you will support L&I cardholder boarding model.
  3. Some benefit programs do not obtain the beneficiary's SSN. What recipient identifiers, such as DOB, do you accept in lieu of SSN?
  4. Beneficiaries may reside outside the United States, i.e. Retirees living abroad. Discuss the onboarding of individuals living outside the U.S.; for both U.S. citizens and non-citizens.
- J. Describe the Prepaid Card Administrative Tool. Include information on searchable fields such as DOB, SSN, and customer name.
1. Describe reporting available through the Admin Tool.
- K. Describe reporting available through direct file transmission. i.e. activation/deactivation, card load confirmation or inactive cards.
- L. Describe cardholder value-added services and features available if not included in a description above.

#### **2.2.14. PETTY CASH CHECKS**

State warrants issued to replenish petty cash accounts are usually payable to the Agency, not an individual. Agencies have experienced difficulty cashing these warrants. Describe your process to facilitate the cashing of petty cash warrants. Include any fees associated with this service in the pricing schedule.

#### **2.2.15. SYSTEM UPGRADES AND IMPROVEMENTS**

- A. Describe your basic technology improvement process, particularly how potential impacts to business processes are handled, notice to clients and client involvement in the process.
- B. Describe the customer service processes by which you accommodate client requests for customization.

#### **2.2.16. CURRENCY DELIVERY**

OST provides check cashing services to State employees and payees of State warrants. On a regular basis cash and coin is delivered to 416 Sid Snyder Avenue SW, Room 230, Legislative Building, Olympia, WA. Currently OST contracts with Loomis for the delivery of this currency.

- A. Describe your procedure for ordering currency. Preference will be given for electronic or automated solutions.
- B. Does your bank provide a courier for currency orders?

#### **2.2.17. BILLING**

OST receives an account analysis detailing the fees incurred over the past month and verifies it for accuracy against the contracted fee schedule. All banking service fees shall be included on the monthly account analyses; OST does not allow the direct debit of our account(s) for fees.

- A. Describe your account analysis process. Include your ability to provide multiple accounts on one analysis.
- B. Provide samples of your monthly long-form account analysis.
- C. Describe your electronic reporting options for your account analysis, include all formats available (i.e. BAI2, CSV, etc.).
- D. Describe your process for correcting an inaccurate account analysis.

#### **2.2.18. TRANSITION AND CONVERSION**

- A. Describe the transition and conversion process you employ. Provide a detailed conversion and transition plan identifying all tasks to be completed and OST employee involvement in each task.
- B. What would you estimate to be a reasonable transition period for OST?
- C. Describe the team that would be assigned to the transition.
- D. What responsibility do you expect OST has in modifying its systems and/or processes to interface with yours?

**LOCAL GOVERNMENT INVESTMENT POOL CONCENTRATION  
ACCOUNT, AND SEPARATELY MANAGED ACCOUNT**  
**Sections 2.2.19 through 2.2.27**

The successful financial institution will serve as the concentration account for the LGIP and provide for the processing of incoming wire transfers, and ACH transactions as well as outgoing wire transfers.

The LGIP cash managers invest temporary cash surpluses on behalf of participants. The LGIP serves more than 400 local government cash managers. Pooled investments allow local governments to share in the expertise of OST investment staff and benefit from the economies of scale inherent in the securities market. The LGIP realizes competitive rates of return on liquid funds while maintaining the safety of the funds. The LGIP began fiscal year 2020 with \$17.4 billion and during the fiscal year received \$62.7 billion in deposits and had withdrawals of \$57.3 billion, ending the fiscal year with \$23.1 billion. The management goal for the LGIP is to fully invest all balances and have an end of day balance in the LGIP demand deposit account of less than \$1,000.

The successful financial institution will also serve as the concentration account for the SMA and provide for the processing of incoming wire transfers, and ACH transactions as well as outgoing wire transfers.

The SMA portfolio managers invest core funds in separately managed portfolios on behalf of participants, allowing local governments to take advantage of the expertise of OST investment staff in the management of their intermediate term investments. SMA portfolios follow the same investment strategy as the State's core portfolio. The SMA program began in fiscal year 2018 and currently consists of three portfolios totaling around \$450mm. SMA funds are fully invested daily.

Financial institutions offering Proposals must describe their ability to perform the services outlined in this section, including product samples. Financial institutions wishing to provide alternative solutions should demonstrate why their solution is a more efficient, cost-effective, or secure approach to the requested services. Describe any additional services offered, but not specifically requested. Specifically, the scope of services includes, but is not limited to, the following:

**2.2.19. ACCOUNT(S) ESTABLISHMENT LGIP:**

Currently the LGIP Program at OST uses one demand deposit account to manage their deposits and disbursements.

All minimum account services required must be installed and operating on or before July 1, 2021 unless otherwise negotiated and agreed to in writing.

- A. Establish a demand deposit account that shall be named:
  - 1. "Washington State Treasurer, Local Government Investment Pool Account."

- B. Provide an ACH Debit Block service that automatically returns all ACH debits for all accounts.
- C. Provide an ACH Debit Filter service that allows certain pre-authorized debits to automatically post to accounts under this agreement. Describe your ACH Debit Filter process including the specific information required to identify a pre-authorized transaction.
- D. Washington State does not issue checks. Automatically return all checks presented against accounts 'refer to maker'.

#### **2.2.20. ACCOUNT(S) ESTABLISHMENT SMA:**

Currently the SMA Program at OST uses one demand deposit account to manage their deposits and disbursements.

All minimum account services required must be installed and operating on or before July 1, 2021 unless otherwise negotiated and agreed to in writing.

- A. Establish a demand deposit account that shall be named:
  - 1. "Washington State Treasurer, Separately Managed Account."
- B. Provide an ACH Debit Block service that automatically returns all ACH debits for all accounts.
- C. Provide an ACH Debit Filter service that allows certain pre-authorized debits to automatically post to accounts under this agreement. Describe your ACH Debit Filter process including the specific information required to identify a pre-authorized transaction.
- D. Washington State does not issue checks. Automatically return all checks presented against accounts 'refer to maker'.

#### **2.2.21. ACCOUNT RELATIONSHIP MANAGER(S) / CUSTOMER SERVICE**

- A. Provide a local account manager who is knowledgeable of cash management products and technologies, available to respond in a timely manner to OST inquiries, and is regularly attentive to the State's account(s). The account manager must have experience with complex government or corporate accounts, and the authority to resolve potential account issues.
- B. Provide a point of contact or customer service representative who is attentive to the State's account and familiar with the OST's business requirements as outlined in this RFP. At a minimum, the representative(s) should be available from 8:00 A.M., to 5:00 P.M., Pacific Time each business day. This point of contact would be responsible for resolving day to day processing issues on the State's account(s).
- C. Provide either same-day resolution for problems pertaining to OST's accounts or appropriate resources assigned and daily status notifications if same-day resolution is not achieved.

#### **2.2.22. WIRE TRANSFER SERVICES/INTRABANK TRANSFERS**

The timely distribution of funds through wire transfer is critical to the State. OST initiates one-time and repetitive domestic and foreign wires using the bank's online system. If OST has a payment that cannot be processed on the online system or during times of service disruption, OST initiates wires through a call to the bank's wire department. To mitigate risk, OST requires security features such as dual control on all wires and multi-factor user authentication.

- A. Describe your online system. Provide cutoff times for wires to be finalized same-day. Include screen shots and samples as appropriate.
- B. OST has wire transactions that exceed one billion dollars. Describe your system's ability to handle these large transactions. Include if you require special handling; i.e., split transactions, special notification, etc..
- C. Many of the wires OST initiates are repetitive. Describe your online system's procedure for the creation of templates for repetitive wires. Include your security requirements for template creation and maintenance; i.e., dual control. Provide examples as necessary.
- D. Describe your backup wire process when the online system is unavailable. Include cutoff times for this backup process.
- E. OST uses on demand reports detailing daily outgoing wire transfers. Describe your ability to provide near real time reporting for outgoing wires.

#### **2.2.23. REPORTING REQUIREMENTS ONLINE SYSTEM**

Accurate and timely reporting of the State's banking activity is an essential tool for both the Cash Management and Investment Divisions of OST. The bank's online reporting system is used to create on-demand reports for current and previous day activity.

- A. OST uses online reporting for daily reconciliation, to mitigate risk, to make investment decisions and to research account activity. Describe your online reporting system. Include both your current day and previous day reporting capabilities and provide sample reports.
  - How long is account history available online? (i.e. 90 days, 6 months, etc.)
- B. Describe the training that will be provided for the online system.
- C. Informed investment decisions require real-time balance information including intra-bank transfers. Describe your ability to provide real-time reporting on the State's financial position.
- D. Timely disbursement of OST's wires is mission critical. OST uses on-demand reports to monitor the status of wire transmissions in near real-time and verify successful transmission. Describe the reporting available to monitor the status of out-going wires.
- E. OST administers the user IDs and entitlements for the concentration account and concentration sub-account online reporting. Describe the self-administration features of your online reporting product.

- F. Describe your system upgrade process, particularly how potential impacts to business processes are handled, notice to clients and client involvement in the process.
- G. OST requires a monthly account statement of all activity in the concentration and concentration sub-accounts. Describe your monthly account statement options (electronic, paper etc.).

#### **2.2.24. SOFTWARE AND HARDWARE REQUIREMENTS**

- A. Describe the process to securely exchange data with OST
  - 1. List any software, hardware, or networking requirements to use the process.
  - 2. Describe redundancy built into your computer systems and telecommunications facilities for the purpose of data exchange.
  - 3. What are the procedures to implement an alternative path for data exchange, for both the financial institution and OST?
  - 4. What transmission protocols do you support and what is your preferred option(s)?
  - 5. Provide what encryption method is used (if any).
- B. Describe your process for resolution of business client technical problems of various kinds (telecommunications outages, program errors, missed operations schedules, etc.). What is the established procedure for problem escalation?
- C. Provide an overview of your Business Continuity Planning. Those plans often include alternate processing operations with clients.
  - 1. How do you work with clients to prepare for, test and initiate “disaster” alternatives?
  - 2. Describe any client instruction manuals, training and test involvement in business continuity plans for various business disruptions.

#### **2.2.25. SYSTEM UPGRADES**

- A. Describe your basic technology improvement process, particularly how potential impacts to business processes are handled, notice to clients and client involvement in the process.
- B. Describe the customer service processes by which you accommodate client requests for customization.

#### **2.2.26. BILLING**

OST receives an account analysis detailing the fees incurred over the past month and verifies it for accuracy against the contracted fee schedule. All banking service fees shall be included on the monthly account analyses; OST does not allow the direct debit of our account(s) for fees.

- A. Describe your account analysis process. Include your ability to provide multiple accounts on one analysis.

- B. Provide samples of your monthly long-form account analysis.
- C. Describe your electronic reporting options for your account analysis, include all formats available (i.e. BAI2, CSV, etc.).
- D. Describe your process for correcting an inaccurate account analysis.

#### **2.2.27. TRANSITION AND CONVERSION**

- A. Describe the transition and conversion process you employ. Provide a detailed conversion and transition plan identifying all tasks to be completed and OST employee involvement in each task.
- B. What would you estimate to be a reasonable transition period for OST?
- C. Describe the team that would be assigned to the transition.
- D. What responsibility do you expect OST has in modifying its systems and/or processes to interface with yours?

## **SECTION 3: MANDATORY MINIMUM QUALIFICATIONS**

### **3.1. MANDATORY MINIMUM QUALIFICATIONS**

As of November 6, 2020, candidate firms must satisfy the minimum requirements as outlined below in order to be considered for Contract award and continue to meet the requirements during the entire contract period:

#### **3.1.1. GENERAL QUALIFICATIONS FOR TREASURER AND TREASURER'S TRUST CONCENTRATION ACCOUNT**

- A. Be insured by the Federal Deposit Insurance Corporation (FDIC).
- B. Be located in the State of Washington and approved by the Washington Public Deposit Protection Commission (PDPC) as a qualified public depository (Chapter 39.58 RCW).
- C. Act as the State's correspondent bank for State warrants drawn on our Federal Reserve Bank routing number (125105576).
- D. Process all outgoing wire, ACH and warrant transactions regardless of the State's daylight overdraft position. See RFP Exhibit C, Daylight Overdraft for daylight overdraft statistics

#### **3.1.2. GENERAL QUALIFICATIONS FOR LOCAL GOVERNMENT INVESTMENT POOL CONCENTRATION ACCOUNT, AND SEPARATELY MANAGED ACCOUNT**

- A. Be insured by the Federal Deposit Insurance Corporation (FDIC).
- B. Be located in the State of Washington and approved by the Washington Public Deposit Protection Commission (PDPC) as a qualified public depository (Chapter 39.58 RCW).
- C. Process all outgoing wire and ACH transactions regardless of the State's daylight overdraft position. See RFP Exhibit C, Daylight Overdraft for daylight overdraft statistics

#### **3.1.3. INSURANCE**

The State reserves the right to request proof of the following types of insurance before executing a Contract with an Offeror.

- A. Commercial general liability insurance.
- B. Professional liability insurance.
- C. Directors & Officers Liability insurance.

## **SECTION 4: GENERAL INFORMATION**

### **4.1. DEFINITIONS**



- A. “Agreement” or “Contract” means the Agreement for Banking Services to be entered into by and between the State and the Successful Offeror in substantially the same form as Exhibit A to this RFP.
- B. “Apparently Successful Offerors” or “Successful Offerors” means the Offeror(s) selected by the Office of the State Treasurer (OST) as entities qualified to perform the anticipated services.
- C. “Business Day” means Monday through Friday, 8:00 AM to 5:00 PM, Pacific, except for holidays observed by the State.
- D. “Calendar Day(s)” means day reckoned from midnight to midnight.
- E. “Contractor” means a Financial Institution awarded a Contract through this RFP.
- F. “Offeror” or “Vendor” means any respondent or entity intending to submit or submitting a Response to obtain a Contract.
- G. “OST” means the State Treasurer or Office of the State Treasurer.
- H. “Proprietary Information” means information owned by the Offeror to which the Offeror claims a protectable interest under law. Proprietary Information includes, but is not limited to, information protected by copyright, patent, trademark, or trade secret laws.
- I. “RCW” means the Revised Code of Washington.
- J. “Response” or “Proposal” means all information submitted in reply to this RFP, including any additional information requested by or provided to OST.
- K. “RFP” means this Request for Proposals, any addendum or erratum thereto, or Offeror’s written questions and the respective answers, and any related correspondence that is: (1) addressed to all Offerors, and (2) signed by the State Treasurer, their designee, or the RFP Coordinator.
- L. “State” means the State of Washington.

Additional Contract definitions are provided in Exhibit A of the Sample Contract.

#### **4.2. COMPENSATION AND PAYMENT**

The compensation for providing services under this RFP will be based on the fee provided in the Offeror’s proposal and based on the rates identified in the resulting contract. The services detailed in the “Services to be Provided and Assignment of Work” section of this RFP will be the basis for the proposed fee. Front loading of fees is not permitted. In no case will the Contract fee be higher than the fee contained in the proposal.

The fee schedule will apply for the initial three year period, through June 30, 2024, but will be subject to renegotiation prior to the beginning of each extension period upon terms mutually agreeable to OST and the successful Vendor.

In the event OST requests additional services related to the Scope of Work above which substantially increases the commitment of time and resources of the Offeror, OST may negotiate additional fees for such additional services at its discretion. OST reserves the sole right and discretion to approve or disapprove changes in fees and compensation applicable during the “Period of Performance” extension.

The State shall pay the Vendor for service charges in accordance with the schedule set forth in your proposed fee schedule as incorporated into the Agreement after the State verifies all activity and charges of the Account Analysis invoice. Invoice detail shall include volumes by pricing elements identified in the agreement's pricing schedule, price and amount due. Payments will be made monthly.

## **SECTION 5: INSTRUCTIONS FOR COMPLETING AND SUBMITTING BIDS**

### **5.1. OST CONTACT**

The RFP Coordinator is the sole point of contact for OST. All communications about this procurement must be directed to the RFP Coordinator.

Contacts not previously authorized by the RFP Coordinator with other OST staff regarding this procurement after issuance of this RFP may disqualify the Vendor.

OFFICE OF THE STATE TREASURER  
ATTN: JEN MERCHANT, RFP Coordinator  
Office of the State Treasurer  
416 Sid Snyder Ave SW, Room 230  
PO Box 40200  
Olympia WA 98501-0200  
Telephone: (360) 902-8944  
E-Mail: [Contracts@tre.wa.gov](mailto:Contracts@tre.wa.gov)

### **5.2. INTENT TO RESPOND AND QUESTIONS**

A Letter of Intent to Respond in the format of Exhibit G attached hereto and any questions regarding this RFP must be in writing and must be received by email at [Contracts@tre.wa.gov](mailto:Contracts@tre.wa.gov) by 4:00 p.m. Pacific Time, October 9, 2020. The Letter of Intent to Respond must include an authorized signature. Letters of Intent to Respond are used to determine how many responses OST can expect in order to plan schedules. Non-submittal of a Letter of Intent to Respond and Questions does not preclude the Vendor from submitting a Proposal or consideration of the Proposal.

The RFP Coordinator will respond to all questions in writing and post responses on OST's website at <https://tre.wa.gov/> as well as the State's no-charge online bid notification system, Washington Electronic Business Solution (WEBS) at <https://pr-webs-vendor.des.wa.gov/> for retrieval and review. Vendors are encouraged to register and check OST's site and/or WEBS frequently for postings related to the RFP. It is incumbent on a Vendor to obtain responses to questions once posted to ensure their response is truly responsive.

### **5.3. SCHEDULE OF PROCUREMENT ACTIVITIES**

The following schedule of activities must be adhered to by all Offerors:

<b>Timetable – Banking Services Search 2020</b>	
<b>Event</b>	<b>Date</b>
RFP Posted on OST website and WEBS	September 25, 2020
Letters of Intent to Respond Due	4:00PM PT October 9, 2020
Offerors Questions Due	4:00PM PT October 9, 2020
Answers to Offerors Questions Posted on OST website and WEBS	October 21, 2020
Offeror’s Proposals Due to OST	4:00PM PT November 6, 2020
In-Person / Telephone / Video Interviews with Semi-Finalists (if necessary)	Week of November 16-20
Determine Apparently Successful Offeror	December 4, 2020
Finalize Contract	By January 8, 2021

#### **5.4. PROCUREMENT MODIFICATION**

OST reserves the right to amend the RFP, revise the RFP Schedule or issue addenda to the RFP at any time. OST also reserves the right to cancel or reissue the RFP in whole or in part, for any reason, at the sole discretion of OST at any time prior to the execution of an agreement.

If the RFP is revised, OST will provide an addendum to all Vendors that submit a Letter of Intent to Respond by the deadline. In the event it becomes necessary to revise any part of the RFP, notification shall be posted on OST’s website and WEBS. In addition, OST will present amendments and clarifications on OST’s website and WEBS. It is the responsibility of each bidder to check the website(s) for this information. All responses to this RFP shall be based on the material contained in this RFP and any amendments made to the RFP.

#### **5.5. PROCUREMENT INSTRUCTIONS**

##### **5.5.1. SUBMITTING RESPONSES**

Please send an electronic copy to the addresses below. The electronic version must include Exhibit B in Excel format and the electronic version will be considered the “Master Copy.” The completed electronic version of the RFP must be delivered by 4:00pm PT on November 6, 2020. Earlier responses are welcome, and any Response delivered after the deadline will not be considered.

OFFICE OF THE STATE TREASURER  
ATTN: JEN MERCHANT, RFP Coordinator  
Office of the State Treasurer

416 Sid Snyder Ave SW, Room 230  
PO Box 40200  
Olympia WA 98501-0200  
Telephone: (360) 902-8944  
E-Mail: [Contracts@tre.wa.gov](mailto:Contracts@tre.wa.gov)

If your Response contains information you consider confidential and proprietary, please mark it such and include a second electronic version with your Response labelled “Copy for Reproduction” with the confidential portions redacted or omitted. Delete only sections of “confidential” information, not the entire page unless the entire page can be defended as confidential. This electronic version will be used as the basis of a response to any Public Records Requests made for a copy of your Response. Where sections of confidential information have been deleted in this electronic version, insert this parenthetical text: “(CONFIDENTIAL INFORMATION REMOVED)” in at least 24 point type and bold. Please secure this electronic version of the “Copy for Reproduction” in a manner that will still allow OST to copy the protected electronic file onto its servers, but will not allow editing of the information, nor allow access to redacted materials or information. In addition to the “copy for reproduction,” please identify those portions that are claimed as confidential in a response transmittal letter pursuant to section 5.6. Those Responses not marked “Confidential” are subject to full disclosure under the state Public Records laws, as will be any Responses marked “Confidential” in their entirety.

OST reserves the right to retain all Responses and accompanying documentation submitted and to use any ideas contained in Responses regardless of whether that Response is selected. Responses retained shall become the property of OST and will not be returned. Submission of a Response constitutes acceptance of all conditions contained in this RFP, unless clearly and specifically noted in the Response submitted and confirmed and expressly accepted in the subsequent agreement between the Vendor and OST.

#### **5.5.2. INFORMATION AND FORMAT REQUIREMENTS**

All of the conditions set forth in this section must be included, and addressed thoroughly and completely by the Vendor before OST will accept a Response to this RFP.

When responding to this RFP, we encourage you to describe the ways in which you believe your organization’s service is unique or would add particular value. Please be succinct in your answers and, if certain services cannot be provided, please so state when appropriate. Responses must include answers to all questions, comply with all requests for information to permit evaluation, and shall include bookmarks and section titles separating the following parts.

Proposals must conform to the information and exhibits provided, including any amendments made to the RFP and responses to questions. Vendor must address each of the following parts in the same order listed to be considered responsive. Proposals that do not address all areas requested by this RFP may be deemed non-responsive and may be disqualified from further consideration. Proposals should be concise with emphasis placed on completeness and clarity of content. Vendors must consider the minimum qualifications in *Section 3* and the required services outlined in *Section 2* in formulating Proposals.

By submitting a Proposal in response to this RFP, the Vendor unequivocally acknowledges that it has read and fully understands this RFP, and that the Vendor has asked questions and received satisfactory answers from OST regarding any provisions of this RFP with regard to which the Vendor desired clarification.

Proposals shall include the following information by section:

1. **COVER LETTER** – Provide a cover letter, signed and dated by an individual legally authorized to bind the Vendor contractually. Indicate that the signer is authorized to commit the Vendor to the terms presented and include the title or position the signatory holds. The letter must also include:
  - A statement that all terms and prices included in the Proposal are guaranteed for 180 calendar days from the Proposal due date.
  - A statement confirming the Vendor meets the requirements described in *Section 3 – Mandatory Minimum Qualifications*.
2. **TABLE OF CONTENTS** – Include a table of contents showing the Proposal content and sequence. All pages should be numbered, and each section must reference the corresponding part listed in this section.
3. **GENERAL INFORMATION:** Provide the following information:
  - Name, mail address, telephone number, and fax number of the Vendor.
  - Name, title, mail address, telephone number, and e-mail address of principal officers.
4. **EXECUTIVE SUMMARY** – Provide a brief, concise overview of the key points in the Proposal. The summary should not exceed five (5) pages.
5. **VENDOR INFORMATION** – Describe the Vendor's qualifications and relevant experience during the past three (3) years providing Banking Services to entities the same size or larger than the State of Washington.

6. **AUDIT REPORT** – Provide a copy of the most recent Independent Service Auditor’s Report prepared in accordance with attestation standards established by the American Institute of Certified Public Accountants for services provided in a Banking Services capacity.
7. **PERSONNEL** - Identify the specific individuals (or subcontractors) who will be assigned to OST’s account. Describe their qualifications in terms of their education and experience with larger state and local government clients. Indicate the nature of the experience. Attach a brief résumé of each individual. Include an organization chart that reflects management of administrative and operational services within your organization.
8. **SERVICES PERFORMED** – Describe the services the Vendor is willing to provide. The Proposal should be presented in the same order as listed in *Section 3 – Mandatory Minimum Qualifications and Section 2 – Statement of Work*. Vendors must reiterate the number and full text of each subsection, followed immediately with their description of how their services meet the stated requirement(s). Product samples, where applicable to the response, should be included by reference to a separate appendix. Please submit a definitive description of the resources available and other pertinent factors to demonstrate your ability to perform the requested services. If any service outlined in Section 2 cannot be provided, the Vendor should specifically state this in that section and provide any proposed alternatives.

Any amendments or addenda proposed by the Vendor must be submitted with its Proposal.

*Note: No part of the work to be performed will be subcontracted or assigned to another vendor without prior written consent by the State.*

## 9. PROPOSED FEES

### A. Please complete *Exhibit B, Fee Questionnaire*.

- Provide a price for the minimum account services requested for the specific account or accounts noted in Section 2 in accordance with the volumes as detailed in Exhibit B.
- Specify if the figure is a total amount or per unit.
- Calculated total amount should be carried over to the “Total” column.
- Detail any additional costs for “other” or “innovation/future” services, if any, including but not limited to research charges and pass-through fees.
- Discuss any creative pricing or payment options that you can provide.

### B. Provide in Excel or .csv format your entire fee schedule for all treasury services, excluding lockbox and merchant services. This will be used

as the basis for the contract's fee schedule if you are chosen as the apparent successful bidder.

*Note: All charges must be detailed here. Any charges not listed in section 9B of the Vendor's Proposal will not be allowed during the course of the contract unless the scope of the contract is expanded to include additional services not requested herein and is otherwise negotiated and agreed to in writing.*

Any pricing offered by Vendor shall be inclusive of sales tax, business and occupation tax, and any other taxes for fees for doing business in the State that may apply.

All travel and per diem will be the responsibility of the Vendor and should be considered when preparing the Proposed Fee. No separate allowances or fees will be paid for travel or per diem for the Vendor.

The evaluation process is designed to award this procurement not necessarily to the firm with the least cost, but rather to the firm whose Proposal best meets the requirements of this RFP in OST's sole judgment.

- 10. SOFTWARE APPLICATION** – List any applications that require installment of component(s) on State Agency desktops and provide a detailed description of the component(s). List any applications that are accessed solely through a web browser. Briefly describe any service level agreement(s) related to availability and support for application software.
- 11. BUSINESS CONTINUITY** – Describe the procedures and provisions you have implemented to be employed in the event of disaster or equipment failure at your primary processing site(s). Describe your business continuity plans should the region experience a geographic disaster.
- 12. INNOVATION/FUTURE SERVICES** – OST expects the selected Vendor to work in partnership with OST and the stakeholder agencies as it explores automation and innovative service delivery options. Please describe alternate or innovative approaches to the requested services where feasible or additional services offered that might not be specifically requested.
- 13. CONFLICT OF INTEREST** – It is the expectation of OST that the award of a contract for Banking Services and the conduct of business under that contract will comply with the State's conflict of interest laws. Provide a letter signed by an officer of your company in the form of Exhibit H certifying that no condition exists with respect to the Vendor or any of its employees which violates the Ethics in Public Service Act, Chapter 42.52 RCW, or any similar statute in relation to the submittal of its Proposal.

**14. LITIGATION** – Provide a brief explanation and status of any material litigation, regulatory authority investigation, contingent liabilities, or other legal proceedings involving the Vendor or any officer or principal during the past three (3) years.

**15. CONTRACTUAL REQUIREMENTS** – *Exhibit A – Agreement for Banking Services* contains contracting terms OST requires in the Contract that are not negotiable. Provide a statement indicating the Vendor has read *Exhibit A* and accepts all provisions.

The Vendor may propose revisions to Agreement for clarification and procedural purposes only. Refer to Section 7.7 of this RFP for further information on the general contract terms and conditions.

**16. TRANSITION PLAN** – If a new Vendor is selected as a result of this RFP, the Agreement will include a transition period. The Transition Phase of this Agreement begins upon execution of the Agreement by all parties through June 30, 2021. The existing Agreement expires June 30, 2021 and the new Vendor must be production ready beginning July 1, 2021.

The Vendor shall provide a plan and timeline for transitioning all Services from the existing vendor to the new Vendor. The plan must be specific and include the Vendor's transition strategy, organizational changes and system enhancements necessary to provide the level of service required, testing of automated processes, including electronic file transfers and data uploads and downloads. The Vendor must guarantee that the necessary resources will be committed to the transition process to ensure that transition is performed in a timely manner. Transition, if required, must be completed and ready for production processing beginning July 1, 2021.

**17. REFERENCES** – Provide contact names, addresses and telephone numbers for *at least* three (3) governments the Vendor provides Banking Services (e.g., state or local government, or institution of higher education).

**18. LIST OF EXCEPTIONS** – Provide an explanation for any exceptions to, or deviations from, the requirements of the RFP. If there are no exceptions, include a statement to that effect.

**19. ADDITIONAL INFORMATION** – Provide any additional pertinent information.



## **5.6. PROPRIETARY INFORMATION**

All material submitted in Response to this RFP shall become the property of OST. Such material is subject to public disclosure requests pursuant to Washington's Public Records Act, found in 42.56 RCW, OST policies as well as rules in chapter 474-01 Washington Administrative Code (WAC) and cases decided by Washington courts.

All submissions will be treated as confidential and exempt from public disclosure until the Successful Offeror(s) resulting from this RFP, if any, is announced by the OST. Thereafter, submissions are subject to public disclosure, unless material has been properly designated as confidential and satisfies one of the exemptions from public disclosure under Washington laws.

The materials submitted by the Apparently Successful Offeror may be attached to the resulting Agreement and incorporated therein by that attachment. In general, unless particular material has been properly designated as confidential and exempt from public disclosure under Washington laws, such materials will be deemed public records and subject to public disclosure requests.

In the event that a Vendor desires to claim portions of their response as exempt from disclosure under the provisions of Washington's laws, as noted above, it is incumbent upon that Vendor to clearly identify those portions which are claimed as confidential in a response transmittal letter and to provide a "Copy for Reproduction" as noted in section 5.5.1. The transmittal letter must identify the page and particular exemption(s) from disclosure upon which it is making its claim. The generally available exemptions from public disclosure are available in RCW 42.56.210-.510. Designating the entire response as confidential or proprietary information is not acceptable and will not be honored, and it may subject the Vendor's response to being rejected for not being responsive.

OST will consider all requests for exemption from disclosure; however, the agency will make a decision predicated upon RCW 42.56.210-.510 and the current OST Public Records Policy. In so doing, OST will exercise good faith in responding to requests for public disclosure of public records, will not discriminate between persons requesting records, and will protect legitimate confidentiality interests.

If any of the specifically requested information is marked as "confidential" in the response but in the opinion of OST does not conform to any one of the enumerated exemptions from disclosure in RCW 42.56.210-.510, such information will not be made available until at least five (5) business days after the affected Vendor has been notified that the information has been requested, to permit the Vendor an opportunity to contest the public disclosure request.

Should a successful Vendor obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its Response prior to the execution of the Contract incorporating the same, OST will comply with the court order. The burden is upon a successful Vendor to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly.

If the affected Vendor has undertaken proceedings within the timeframe to obtain a court order restraining OST from disclosure of the “confidential” information within those five (5) days, OST will not disclose such information until resolution of the court proceeding. Upon failure to make application for judicial relief within the allowed period, the information will be disclosed.

It should be noted, however, that time is of the essence in this solicitation process. Although OST will work in good faith to accommodate legal proceedings concerning confidential information, a delay in execution of the Contract to accommodate a petition to the courts might not be possible or might not be granted.

## **5.7. RECORDS RETENTION**

After the date of the announcement of the Apparently Successful Offeror(s), OST will retain all products of information received under this procurement in accordance with state record retention laws.

## **5.8. PREPARATION AND TRAVEL COSTS**

Expenses for the development and submission of required information are the sole responsibility of the Vendor(s). OST will not be liable for any costs associated with preparation and submission of information submitted in response to this RFP.

The Vendor assumes responsibility for their personnel's travel and associated costs as they relate to this RFP. These costs must be considered in the cost of the fees that will be proposed.

## **5.9. RESPONSE EVALUATION**

### **5.9.1. EVALUATION PROCESS**

The review of the Offeror will be based upon the completeness of the response, reputation, cost of services, quality of previous performance, if any, and any subsequently requested materials. Responses will be reviewed by evaluators who are representatives of OST. After review of the Responses, the evaluators may select a group of Offerors for either phone or face-to-face interviews.

OST reserves the right, at its sole discretion, to reject, without penalty, any and all responses received. The final selection, if any, will be the Responses, which in the opinion of OST, best meet the requirements set forth in the RFP and are in the best interest of OST and the state of Washington.

The selection will be accomplished through the following process.

- A. Initially, OST will review each RFP for compliance with the Mandatory Minimum Requirements as stipulated within Section 3 of the RFP, and provide the appropriate information to OST. Noncompliant Responses will be rejected from further consideration.
- B. OST will evaluate the acceptable Responses against the items shown in the “Evaluation Criteria” section.
- C. Through the Response evaluation process, the evaluators will identify the Offerors.

Through the selection process, OST reserves the right: (i) not to select any proposal; (ii) to select any portions of a particular proposal for further consideration; (iii) to accept a proposal other than the lowest cost proposal submitted; or (iv) to reject any and all proposals received if such action is considered by OST in its sole discretion to be in the best interests of OST and the state of Washington.

### **5.9.2. EVALUATION CRITERIA**

Proposals will be evaluated by OST staff, and OST will make the final decision to award the Contract. During the evaluation process, OST may, at its discretion, request in person presentations and interviews or on-site visits at the Vendor for additional evaluation. Proposals will be evaluated based on, but not limited to, the following criteria:

<i>Criteria</i>
Vendor’s qualifications and experience in providing required services
Qualifications and relevant experience of personnel assigned
Compliance with RFP requirements
References and/or Past Performance
Fees

### **5.9.3. ORAL INTERVIEWS**

OST may choose to conduct oral interviews for final selection of Vendor(s). Interviews may be conducted in-person or by telephone at OST’s discretion. The oral presentations will be evaluated to develop a consensus decision of the Apparently Successful Offerors.

In both instances, the evaluation will be based on the technical criteria specified in this RFP (e.g., organization, experience and expertise, quality and innovativeness of advice, quality of research, fees, etc.), plus these additional factors:

- A. The cohesiveness of the oral presentation.
- B. Consistency between the oral interviews and the firm's written bid.
- C. Reference checks, focusing on past performance (including the OST's experience, if applicable) and the firm's ability to:
  - 1. Perform quality banking services.
  - 2. Work well with OST staff and state agencies.
  - 3. Respond to special requests.
  - 4. The firm's responsiveness during the interview process.

#### **5.10 ADDENDA TO THE RFP**

In the event that it becomes necessary to revise any part of this RFP, an addendum or erratum in numerical sequence will be provided to all Offerors who have indicated an intention to submit a response and will be posted on OST's website and the WEBS site. Offerors will be given at least five (5) business days from notification to provide requested information.

#### **5.10. SUBMISSION LIMIT**

After submission, Offerors will not be allowed to amend the information submitted unless specifically asked to by OST staff.

### **SECTION 6: OST RIGHTS**

#### **6.1. INFORMATION CLARIFICATION/REJECTIONS**

Determination of clarity and completeness in the Responses to any of the provisions in this RFP will be made solely by OST. OST reserves the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this RFP.

OST reserves the right to reject any or all Responses at any time prior to the execution of a contract acceptable to OST, without any penalty to OST.

#### **6.2. CONTRACT AWARD**

OST intends to award a contract to the Apparently Successful Offeror(s) with the best combination of attributes based on the evaluation criteria listed in the "Evaluation Criteria" Section 5.9.2 of this RFP.

OST reserves the right to make an award without further discussion of the Response submitted. Therefore, the Response should be submitted initially on the most favorable

terms which the Offeror can propose. There will be no best and final offer procedure. OST does reserve the right to contact an Offeror for clarification of its Response.

The Offeror should be prepared to accept this RFP for incorporation in whole or in part into a Contract resulting from this RFP. Contract negotiations may incorporate some or the Offeror's entire Response. It is understood that the Response will become a part of the official procurement file on this matter without obligation to OST.

Should OST fail to negotiate a Contract with an Apparently Successful Offeror, OST reserves the right to negotiate and contract with the next most qualified Offeror. Should an Apparently Successful Offeror fail to execute a Contract in substantially the same form as Exhibit A within four weeks of notification as the Apparently Successful Offeror, OST may withdraw the award from that Vendor and contract with the next most qualified Offeror.

### **6.3. PUBLICITY**

No informational pamphlets, notices, press releases, research reports, and/or similar public notices concerning this project may be released by the Apparently Successful Offerors without obtaining prior written approval from OST.

### **6.4. WAIVERS**

OST reserves the right to waive specific terms and conditions contained in this RFP.

It shall be understood by Offerors that the information provided is predicated upon acceptance of all terms and conditions contained in this RFP unless the Offeror has obtained such a waiver, in writing, from OST prior to submission of any requested information. Any waiver, if granted, will be granted to all Offerors.

## **SECTION 7: MISCELLANEOUS TERMS AND CONDITIONS**

### **7.1. SUCCESSFUL OFFEROR NOTIFICATION**

On or about the date specified in Section 5.3, "Schedule of Procurement Activities," of this RFP, a letter indicating whether the Vendor was selected as the "Apparently Successful Offeror" will be emailed to each Vendor who submitted a Response, in accordance with the procedures specified in this RFP.

### **7.2. RIGHT TO PROTEST, DETERMINATION OF TIMELINESS, AND PROTEST PROCEDURES**

Offerors protesting this procurement solicitation or award must follow the procedures set forth in chapter 200-320 of the WAC. Protests that do not follow those procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to Offerors under this procurement. Protests will be resolved in accordance with the above referenced WAC.

### **7.3. DEBRIEFING OF UNSUCCESSFUL OFFERORS**

Unsuccessful Offerors will be afforded a debriefing conference upon request. The request for a debriefing conference must be received by the RFP Coordinator within three (3) business days after emailing by OST of a notification to the unsuccessful Offerors. Discussion will be limited to a critique of the requesting Offeror's Response. Comparisons between Responses or evaluations of the other Offeror's Responses will not be allowed. Debriefing conferences may be conducted in person or by telephone conference and will be scheduled for a maximum of one hour. The debriefing conference must be held within thirty (30) days after emailing by the OST of notification to the unsuccessful Offerors.

### **7.4. STAY OF CONTRACT EXECUTION DURING PROTESTS**

In the event of a timely protest, OST may proceed further with the procurement but will not execute the Contract unless the protest is decided or the State Treasurer or a designee makes a written determination that the award of the Contract without delay is necessary to protect substantial interests of OST and the state of Washington.

### **7.5. ENTITLEMENT TO COSTS**

In addition to any other relief, when a protest is sustained and the protesting Offeror should have been awarded a Contract under the procurement but was not, then (except if the protesting Offeror is found to be substantially at fault) the protesting Offeror shall be entitled to its reasonable submission preparation costs, but not attorneys' fees or anticipated profits.

### **7.6. MINORITY & WOMEN-OWNED BUSINESS PARTICIPATION**

In accordance with the legislative findings and policies set forth in chapter 39.19 RCW, the state of Washington encourages participation in all of its contracts by firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation or on a subcontractor basis. However, no preference will be included in the evaluation of proposals, no minimum level of OMWBE participation will be required as a condition for receiving an award and proposals will not be rejected or considered non-responsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

## **7.7. GENERAL CONTRACT TERMS AND CONDITIONS**

A contract may result between OST and the successful Offeror from this procurement process. Exhibit A of this RFP contains the special and general terms and conditions that shall be agreed to.

The submission of a Response constitutes acceptance by the Offeror of the special and general terms and conditions.

OST's intent is to have the sample contract in Exhibit A accepted as presented without material changes. It is strongly recommended that your firm's legal counsel review the attached contract. If your firm is unwilling or unable to accept the terms of the contract set forth, you must identify your concerns in a cover letter that is to accompany your Certifications and Assurances set forth in Exhibit H, and must include a red-line markup of Exhibit A outlining proposed changes. However, OST reserves the right at its sole discretion to approve or disapprove changes to the contract.